

FDCH Carryover and Funds for Recovery Reference Sheet

Family Day Care Homes — Carryover

The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, modified the calculation of administrative cost reimbursements to sponsors of family day care homes (FDCH) in the Child and Adult Care Food Program (CACFP) and permitted sponsors to carry over to the next Federal fiscal year (FY) a maximum of 10% of administrative reimbursements received, but not used in the current fiscal year.

Requirements

- Sponsoring organizations may carry over to the next Federal fiscal year a maximum of 10% of administrative reimbursements earned but not used in the current fiscal year or carryover the unspent amount of Homes x Rate, whichever is less.
 - **Homes x Rate** — Administrative cost reimbursements are determined by multiplying the number of day care homes submitting a claim for reimbursement to the sponsoring organization during the month multiplied by the appropriate administrative reimbursement rate.
- Unspent administrative funds in excess of the 10% limit are calculated monthly and the total amount of these funds must be returned at the end of the fiscal year.
- On November 30 each year, an invoice and bill will be created to collect the carryover funds or the excess of 10% Homes x Rate compared to administrative costs.
- Sponsoring organizations are not required to carry over any unspent funds and may return them to OSPI.
- Sponsors must enter their administrative expenses each month when submitting their monthly claims in the Washington Integrated Nutrition System (WINS). Carryover funds from the prior year will be available for use on December 1. **Expenditures will be applied to available carryover first until these funds are spent down.** This method will reduce or eliminate the amount of carryover funds owed at the end of the fiscal year.
 - Administrative Costs must be entered each month.
 - Claims will not process if administrative expenditures are not entered.



Entering Administrative Cost Expenditures in WINS

Each month, sponsors must click the add the new claim month expenditures on the “*Monthly Administrative Costs Expenditure*” screen.

- a) Under the “*Claims*” tab, select the “*FDCH Administrative Costs*” sub-tab.
 - a. This page will show a summary of the sponsor’s administrative cost expenditures by claim month and expenditure of carryover funds from the prior program year.

The screenshot shows the WINS system interface. At the top, there are navigation tabs: Sponsor Profile, Applications, Sites, Shared Calendar, Budgets, Management Plans, Reviews, Claims, and Accounts. The 'Claims' tab is selected and highlighted in red. Below it, the 'FDCH Administrative Costs' sub-tab is also highlighted in red. A dropdown menu for 'Program Year' is set to '2023-24'. Below this, there are two main sections: 'YTD COST EXPENDITURES 2023-24' and 'SUMMARY 2023-24'. The 'YTD COST EXPENDITURES' section has a '+ Add' button highlighted with a red arrow. Below this is a table with columns for 'View Edit History', 'Claim Month', 'Type', and 'Amount'. The 'SUMMARY' section shows 'YTD Earned HxR', 'YTD Cost Expended from HxR', and 'Unspent YTD Earned HxR'.

- b) Select the “*Add*” button to add the new claim month expenditures.
 - a. Report administrative costs.
 - i. Expenses can be entered in the fields of Labor, Supplies, Services, Per Diem and Education/Training. Monthly income to the Program must also be recorded.
 - ii. Prior Year Carryover Allowed, Carryover YTD Expended, and Remaining Carryover Balance are displayed here as well.
 - b. If there are no monthly administrative costs expended in a certain cost category for the month, zero (\$0) must be entered in each of the required fields.
 - c. Leaving a required field blank will cause the claim to go into error and payment will not process unless the error is corrected.
- c) Select “*Save*” and “*Close*” to complete this process.

The screenshot shows the 'MONTHLY ADMINISTRATIVE COST EXPENDITURES' screen. At the top, there is a header 'MONTHLY ADMINISTRATIVE COST EXPENDITURES'. Below this, there are three lines of text: 'Claim Month: October 2022', 'Number of Homes: 227', and 'Homes x Rate: \$24,637.00'. To the right, there is a value 'Prior Year Carryover Allowed: \$3,961.98' with a red arrow pointing to it. Below this is a table titled 'Administrative Costs Expended this Month' with columns for the cost category, the amount, and a status indicator (a red asterisk). The table has the following rows: Labor (17689.11), Supplies (110.44), Services (7820.84), Per Diem (277.48), Education/Training (0.00), and Less program income (0.00).

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OSPI

November 2024

Year to Date Administrative Cost Expenditures Screen

The Year to Date (YTD) Administrative Cost Expenditures screen displays a Summary of for FY 23–24. This includes HXR earned and spent, Prior Year Carryover Spent, Funds for Recovery, and the YTD percentage of the approved Budget that has been spent. These numbers are estimates during the fiscal year and are finalized on November 30, after the fiscal year has ended.

- a) Carryover funds from the prior year will be available for use on December 1. Expenditures will be applied to available carryover first until these funds are spent down. Once administrative expenses have been applied to all Prior Year Carryover funds, expenses will then be applied to “Monthly Expenditures” for the remainder of the FY.
- b) Clicking the “+” icon on the screen displays the expenditure line items for each month.

YTD COST EXPENDITURES 2023-24 + Add

SUMMARY 2023-24

	View Edit History	Claim Month	Type		Amount
		October	Monthly Amount Earned via HxR		
+		October	Monthly Cost Expended from Carryover		
			Type		Amount
			Education and Training		
			Labor		
			Per Diem		
			Services		
			Supplies		
			Income		
+		October	Monthly Cost Expended from HXR		
		November	Monthly Amount Earned via HxR		
+		November	Monthly Cost Expended from HXR		
		December	Monthly Amount Earned via HxR		

YTD Earned HxR

YTD Cost Expended from HxR

Unspent YTD Earned HxR

Carryover from 2022-23

YTD Cost Expended from Carryover

Total Funds to Recover from 2022-23 ?

YTD Earned HxR for Recovery 2022-23

Maximum Allowable Carryover to 2024-25 ?

Total Funds for Recovery from 2023-24 ?

Approved Budget 2023-24

YTD Percent Approved Budget Expended

Education and Training

Labor

Per Diem

Services

Supplies

Income

YTD Total Expended 2023-24

Examples of Carry Over and Administrative Funds Recovery

OSPI must collect funds back from the sponsor when:

- They did not expend their total allowable carryover from the previous fiscal year. Example:
 - Sponsor had \$5,000 in carryover from previous fiscal year
 - Sponsor spent \$4,000 of carryover funds
 - \$1,000 must be collected back
- They have an excess of 10% Homes x Rate compared to administrative costs (the amount they spent was less than what they were paid from current year ending). Example:
 - Sponsor earned \$100,000 in Homes x Rate
 - Sponsor had \$88,000 in administrative costs
 - The difference between Homes x Rate and administrative costs = \$12,000
 - The maximum Homes x Rate they can carryover is \$10,000
 - Sponsor must pay back \$2,000 – the amount in excess of the 10% Homes x Rate

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References

- [7 CFR 226.12\(a\)](#)
- [CACFP 18-2011](#)
- [CACFP 11-2012](#)
- [FNS Instruction 796-2, Rev. 4 \(IX\)\(B\)\(1\)\(a\)](#)

Acronym Reference

- CACFP – Child and Adult Care Food Program
- CFR – Code of Federal Regulations
- CNS – Child Nutrition Services
- FDCH – Family Day Care Homes
- FY – Fiscal Year
- OSPI – Office of Superintendent of Public Instruction
- USDA – United States Department of Agriculture
- YTD – Year to Date

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November 2024